



file





GOOD

SERVICE

AT

LOW

COST

ELECTRICITY has brought improved methods and increased production to industry. It has changed home making from a routine of drudgery to a happier, more creative and more leisurely way of life. It has played an impressive role in the development of agriculture and commerce. Through peace and through war it has powered the economic and social progress of Nova Scotia.

We are proud of the part we have already played in the development of our Province. We stand ready to meet the even greater challenges and opportunities that are just ahead in the New Nova Scotia of tomorrow.



On June 11, 1966 this window display appeared in the Head Office of the Company

This year we celebrated one hundred years of service.

A one-hundredth birthday is a good time for looking backward, for evaluating the progress that has been made and the lessons that have been learned. It is also a mighty good time for looking ahead to see how the experience of the past can be applied to the future.

In looking back one fact seems to stand out strongly. The Company was both a product of its time as well as one of the forces that helped to shape its time. We take pride in the part which the Company has played in the development and progress of the people and communities it supplies. We also take pride in the fine record of good service that we have established.

On June 11, 1866 a horse-drawn transit service commenced operation along the main street of Halifax. Over the years this facility has been extended and improved to keep pace with the needs and growth of the city.

In 1885 the first electric plant was built. It served a handful of customers in part of the City of Halifax. Today, the Company's electric system extends over hundreds of miles to provide dependable, low-cost electricity to half the people of Nova Scotia. The story of that growth is one of pioneering and accomplishment.

The reasons behind the growth may sometimes be lost sight of in the broad scope of the Company's activities; but this very scope is an indication of the soundness of its main objective . . . *a high standard of service to the people and communities we serve.*

This has been the foundation of our policy in the past. Upon it we have developed our resources of people, equipment and materials . . . *and it is upon this foundation that we pledge and base our future.*

We don't intend to take much time reminiscing about the good old days. The years ahead promise so much that we can't wait to get on with our part of the job. *In fact, we are working at it now.*

The centre of downtown Halifax in 1759 and the busy industrial seaport of today typify the contrasts and show the developments that have taken place in Nova Scotia. Amazing as these may be, even more dramatic changes are already in the building or on the drawing boards for the years ahead.



Nova Scotia Light and Power is many things — it is people, it is buildings and structures, it is steel and stone and concrete, it is generators and distributing lines, it is machines and trucks and tools and equipment. But even more than all that, it is spirit and faith.

The pioneer spirit of venture still lives in the Company today and, as we enter the next century of service, we look forward with confidence . . . confidence in the ability of the Company to help Nova Scotia meet the challenges and profit by the opportunities that lie ahead . . . confidence in the ever widening development of electric use, and confidence in the increasing strength and stability of the area we serve.

Something exciting is going on in Nova Scotia. You find it stirring in the offices of industry, in the urgency of the work being done by city and county planners. You see it in the expanding labor force, the largest ever. It is reflected in the growing volume of retail sales and savings bank deposits. You see it in the increasing number of dramatic new industries; in the growth of urban centres, in the expansion of educational facilities. You sense it in the sight of land being cleared for industrial parks and shopping centres; in the sound of trucks delivering materials and steelmen at work as magnificent new buildings rise upward where slum areas once prevailed.

But most of all you will find it stirring in the hearts and minds of the people. There is a new confidence and enthusiasm as Nova Scotians are busy gearing their activities to building spectacular contrasts for the New Nova Scotia of tomorrow.

FRONT COVER AND THE ARTIST

Nova Scotia's inshore fishermen are an adventuresome and hardy lot. Soon after midnight they take off in their small boats to reap an uncertain harvest.

Here, in the dawning blaze of a new day, they are still hauling their nets marked by the spar buoy. The location may be ten or twelve miles off shore.

Mackerel, herring, halibut . . . the catch may be a dozen varieties of the North Atlantic. But maybe a dog fish was there first to rip great holes in the twine and leave emptiness.

On this canvas, "Harvesting the Sea", W. E. deGarthe, F.I.A.L., has caught some of the uncertainty and hardihood of the fisherman's daily life in his struggle with the ever changing sea.



Copies suitable for framing
are available upon request
to the Secretary.

NOVA SCOTIA LIGHT AND POWER'S 100th ANNIVERSARY REPORT FOR THE YEAR 1966

. . . . contains information for stockholders of the Company on the use of their invested funds in achieving continued progress and expansion.

. . . . gratefully acknowledges the contribution of its loyal employees to the provision of adequate, reliable and efficient service to customers.

. . . . demonstrates to the citizens of our service area and the Province as a whole that we share their hopes and aspirations for a more prosperous and dynamic economy and their determination to achieve it.

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HIGHLIGHTS OF 1966

From humble beginnings in the seaport and garrison town that was Halifax in the mid 1800's, your Company has developed into a \$120 Million business serving half the people of Nova Scotia. This growth has been achieved because the Company always conducted its business in full recognition of its responsibilities to the many elements of the community upon which its operations have an impact — and always worked to promote the economic and cultural development of Nova Scotia.

To those same responsibilities, the 1200 men and women of your Company pledge their energies, their experience and their skills in the years ahead.



GROWTH WAS IMPROVED

Economic growth of Nova Scotia accelerated again in 1966. New industries, expansion of traditional industries and the further concentrated effort being put behind the economy by many agencies including your Company, point to even faster future growth.



HIGHER REVENUES WERE ACHIEVED

Revenues rose 9.7% over 1965 to reach \$27,229,889, the highest ever recorded. Larger business volume and wider acceptance of electric living contributed to the gain.



GREATER SALES

Increased sales effort, the continued buoyancy of the economy, and more customers, pushed sales to a new high of 1,068,373,322 kilowatt hours. Sales to the Company's regular customers were up 8.6% over 1965.



OPERATING EXPENSES WERE HELD IN CHECK

Operating expenses, which rise with increased sales and the effects of inflation, were held down through improved efficiency to \$21,059,838.



EARNINGS WERE KEPT STEADY

The large expenditures for the Tufts Cove Generating Station were absorbed and earnings maintained at \$.55 compared to \$.56 in 1965.



FUTURE OUTLOOK IS BRIGHT

The use of electricity for heating is growing by leaps and bounds. This new market promises greater gains in future sales and earnings.

NOTE TO STOCKHOLDERS AND EMPLOYEES

After you have read this report, you can help to broaden the public's understanding of your Company's policies and progress by passing it on to a friend or neighbour.

**YOUR
DIRECTORS REPORT
FOR THE YEAR**



1966

The year marks an one-hundredth anniversary of continuous utility operations. Of all these years the last decade saw the most dramatic growth.

This was again reflected in Company operations during 1966.

The results are highlighted by record sales of electricity to more customers than ever before with resulting revenues topping all previous amounts. Earnings have been maintained without increasing the price of our product in spite of inflation and heavy capital expenditures.

The capability of management, together with the ever-improving skill and performance of all employees is resulting in more efficient operation and better service to customers.

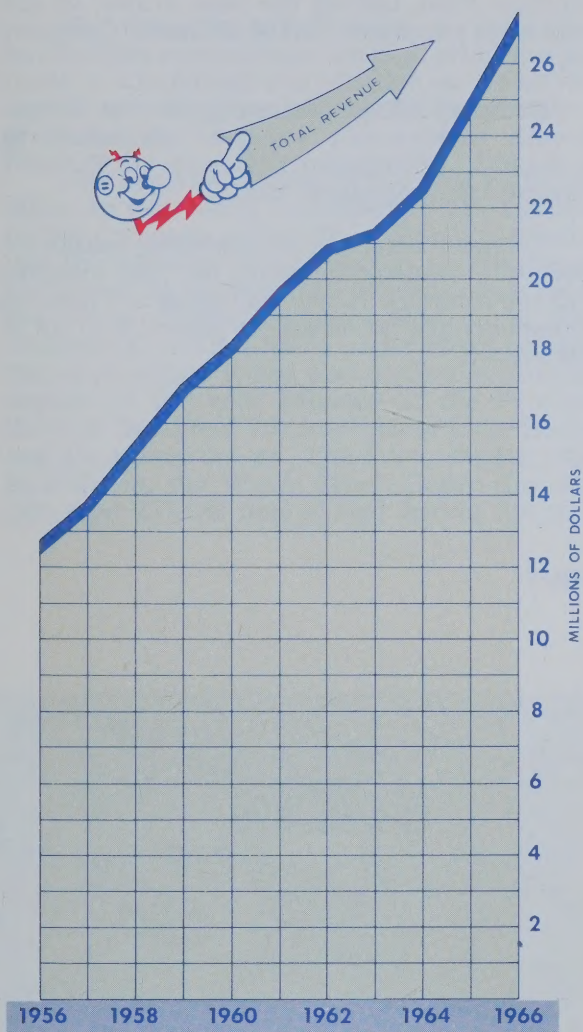
The excellent condition and capability of equipment permit reduced capital expenditures for the next few years. These factors provide a well-laid foundation for future growth and improved earnings.

FINANCIAL

Revenues rose to an all time high during 1966, totalling \$27,229,889, up 9.7% over 1965. Operating expenses, excluding income taxes and fuel costs, increased by 10.4% to \$15,405,602. Cost of fuel, a major expense item, amounted to \$5,654,236, up 11.6% for the year, resulting from increased production and sales of electricity. Interest charges were substantially higher, reflecting cost of additional long-term debt incurred during the year, as well as a major decrease in interest capitalization since the September 1965 commissioning of the new Tufts Cove Generating Station. These higher costs restrained earnings in this first full year of operation of the new station. However, earnings per share at \$.55 compare favorably with the 1965 figure of \$.56 (after stock split).

An issue of \$5,000,000, 6% First Mortgage Bonds, dated April 1st, 1966 was sold. This was a very reasonable interest rate in view of market conditions. The sale confirms the financial soundness of your Company, and the high regard in which it is held by the financial community.

A continuing and unprecedented water shortage in both Nova Scotia and New Brunswick adversely affected the Company's hydro production. The deficiency, needed to meet requirements, was made up by higher-cost thermal generation. However, the drought did result in higher than expected sales of thermal power to



the other inter-connected utilities in both Nova Scotia and New Brunswick. During the rare periods when water conditions permitted, full advantage was taken of any available excess hydro production on the other systems, in order to reduce overall production costs. The highly-efficient Tufts Cove Station, although requiring some shutdown time for adjustments in this its first year of operation, was operated at peak capacity and contributed in a substantial way to improving operating results.

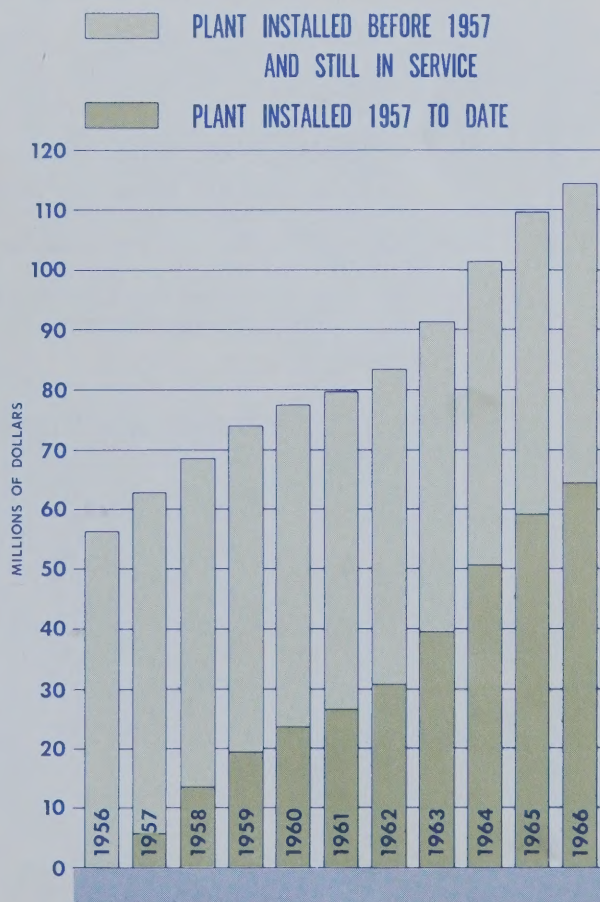
Municipal tax payments increased during the year resulting partly from rising assessments, but mainly from the increased investment in new facilities at Tufts Cove. As reported in the 1965 Annual Report, this plant alone added 20 per cent to the Company's investment in capital equipment and reduced still further the proportion of present operating

plant installed prior to 1957. (See chart on this page.)

The Company's 1965 Report stated that "the Federal Government announced, following a Dominion-Provincial conference, that it would rebate full Federal income taxes paid by electric utilities, to the Government of the Province wherein they are collected. (For some years less than half of Federal income taxes paid by the Company had been returned to the Government of Nova Scotia.)

While legislation has not yet been set up to cover this, your Company feels that a major step has been taken to remove the existing discrimination between investor-owned electric utilities and those owned and operated by Provincial and Municipal Governments who are not required to pay income tax. It must be pointed out that none of this rebate will come to the Company".

INVESTMENT IN PLANT



It will be received by the Provincial Government and used as that Government deems proper.

The number of transit passengers continued to decline and, despite an upward revision in rates approved by the Nova Scotia Board of Commissioners of Public Utilities, effective February 20, 1966, revenues also declined. A loss of \$128,054 was recorded for the year, compared with \$103,097 for 1965.

Net Earnings transferred to retained earnings amounted to \$3,245,314, compared with \$3,303,292 in 1965.

Our employees invest not only their careers

in the Company but their savings as well through participation in the Employees' Stock Purchase Plan. During the year a total of 338 employees purchased 15,114 shares of Company stock.

Ordinary Dividends, paid for the thirty-seventh consecutive year amounted to \$1,884,857. Preference Dividends of \$530,557 were paid at designated rates.

Complete details of the operating results for 1966, with comparable results for 1965 together with the Auditors' Report and notes to Financial Statements are presented on pages 28 to 32 of this report.



COMPARATIVE FUNDS STATEMENT

In addition to general expenses

	1966	1965
WE EXPENDED FOR		
Net Property and Plant Additions (see note below)	\$ 5,461,179	\$ 8,131,760
Increase in Inventory of Materials and Supplies	55,173	293,160
Sinking Funds for Bond Redemptions	436,690	720,252
Dividends to Stockholders	2,415,414	2,164,630
	<hr/> 8,368,456	<hr/> 11,309,802
Increase (Decrease) in Working Capital (Inventories not included)	3,974,609	(4,022,762)
	<hr/> \$12,343,065	<hr/> \$ 7,287,040
THESE FUNDS CAME FROM		
Net Earnings for the year	\$ 3,245,314	\$ 3,303,292
Amounts Charged not Requiring Funds (Depreciation, Amortization, etc.)	3,834,270	3,478,155
Sale of 6% Bonds	5,000,000	—
Sale of Ordinary Shares	131,323	107,463
Accumulated Tax Reductions Applicable to Future Years	168,144	231,661
Miscellaneous Items	(35,986)	166,469
	<hr/> \$12,343,065	<hr/> \$ 7,287,040
NOTE: Total Expended for New Property and Plant	<hr/> \$ 5,661,158	<hr/> \$ 8,287,440

GENERAL OPERATION

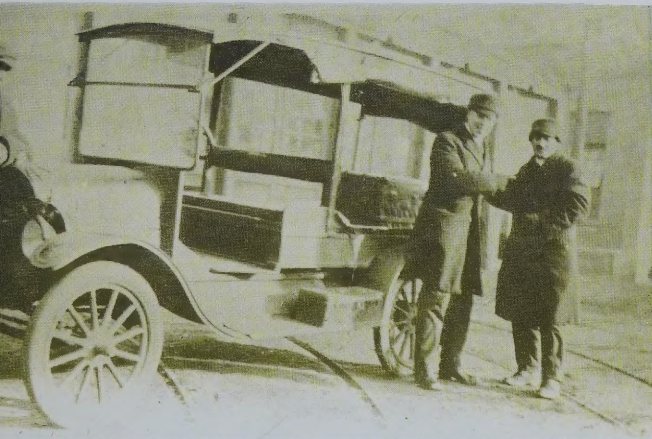
The new generating station at Tufts Cove has fulfilled expectations. Its high efficiency has made a substantial contribution to improving overall operating results through lower costs of producing electricity.

The benefits resulting from this major addition to generating facilities are not confined to the Company alone. The reliability injected into the Maritime Power Pool by its installation has helped to improve the current operation of the other utilities in Nova Scotia and New Brunswick, and has had a major effect on their future planning. It has also made a substantial impact on the coal industry of the Province through the use of 194,953 tons of Cape Breton coal for generation at "The Cove" during 1966. In addition, the Water Street Generating Station used 227,182 tons of coal during the year.

As reported previously, the assistance provided by the Federal Government through the Dominion Coal Board has enabled the coal companies to supply your Company at prices competitive with other fuels.

The increase in reliability and the improvement in production cost is, of course, primarily reflected on the Company's grid system to the benefit of all the Company's customers. This is in line with the Company's long-standing policy of providing a high standard of service at the lowest possible cost to the people and communities served.

This policy requires that continuing effort be made to control the constantly rising costs due to inflation by the use of more efficient machines, tools and methods. It also requires the continuing development of a sound, capable



William "Bill" Meisner, the man on the right of the upper photo is now in his nineties and the only survivor of the three. He still remembers how proud the "line gang" were of their new truck in 1917. They called it the "cockroach."

Today's "line trucks" are really work shops on wheels. They even dig the holes and set the poles. Work is done faster, safer and more efficiently.



and well motivated employee organization which is the very foundation of efficient operation. It also requires that the business be operated at a profit so that proper interest and dividends can be paid to investors, their principal protected, and new investors can be attracted to provide funds for the Company's continued growth.

During 1966 operating costs were held to a minimum through improved and broadened means of cost control. New techniques and methods developed and initiated over the past several years are showing excellent results. In the years ahead, as these techniques are further perfected, the control over operating costs should be even more rigid and effective.

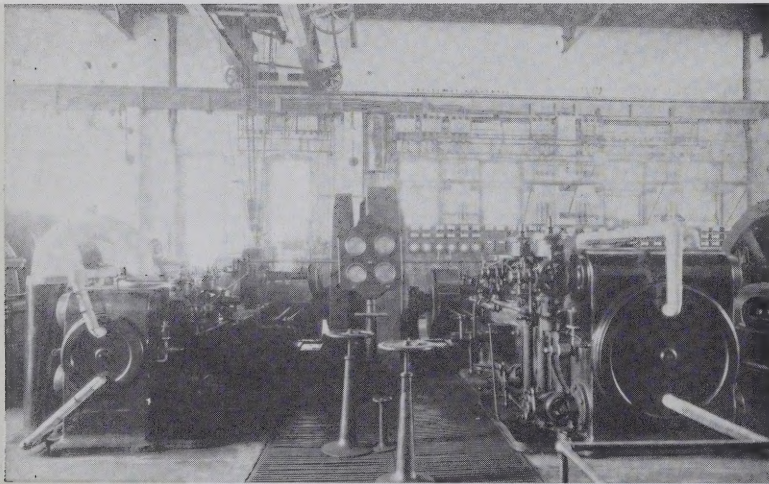
Capital expenditures were also carefully limited. Every project was critically examined

as to need, methods and timing before funds were approved for the job.

The excellent performance of all employees, and particularly those in supervisory levels, reflects the benefits derived from the Company's training programs. These programs are broadening both management and supervisory skills, are producing more competent decision-making, are leading to better communication and understanding and are improving the efficiency of the whole employee force.

Throughout the year, all demands for power — both forecast and unforeseen — were met without difficulty when required.

Continued maintenance of generating equipment and distributing facilities kept the Company's plant in good operating condition during the year.



The original generating station built on the Water Street site in 1902 met the needs of those days. Its generating capability was 1,000 kilowatts. The cross-compound steam engines with their large flywheels and hundreds of moving parts were marvels in their time. They were the pride of the men who operated them - - and were kept oiled and polished so that they really sparkled as they ran.



ELECTRICAL PRODUCTION

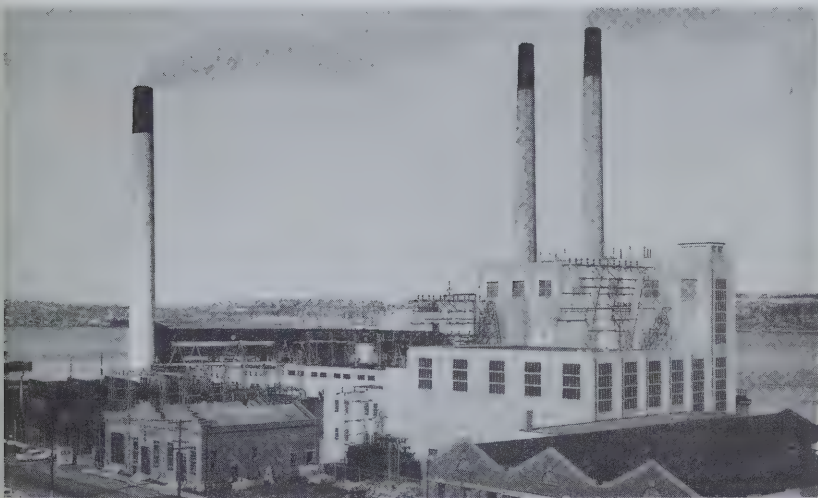
Following the trend of many years new records were established in peak load, total production and sales to retail customers as well as to other utilities in Nova Scotia and New Brunswick.

For the second consecutive year the normal pattern of producing electricity was seriously affected by the extremely low rainfall experienced in the Atlantic Provinces and along the whole Atlantic Seaboard. In Nova Scotia the amount of rainfall was the lowest in ninety-nine years. The Company's generating equipment, both thermal and hydro, was operated skillfully and efficiently and production costs were held to a minimum.

The peak load on the Company's system rose to 227,965 kilowatts, up 2,745 over the pre-

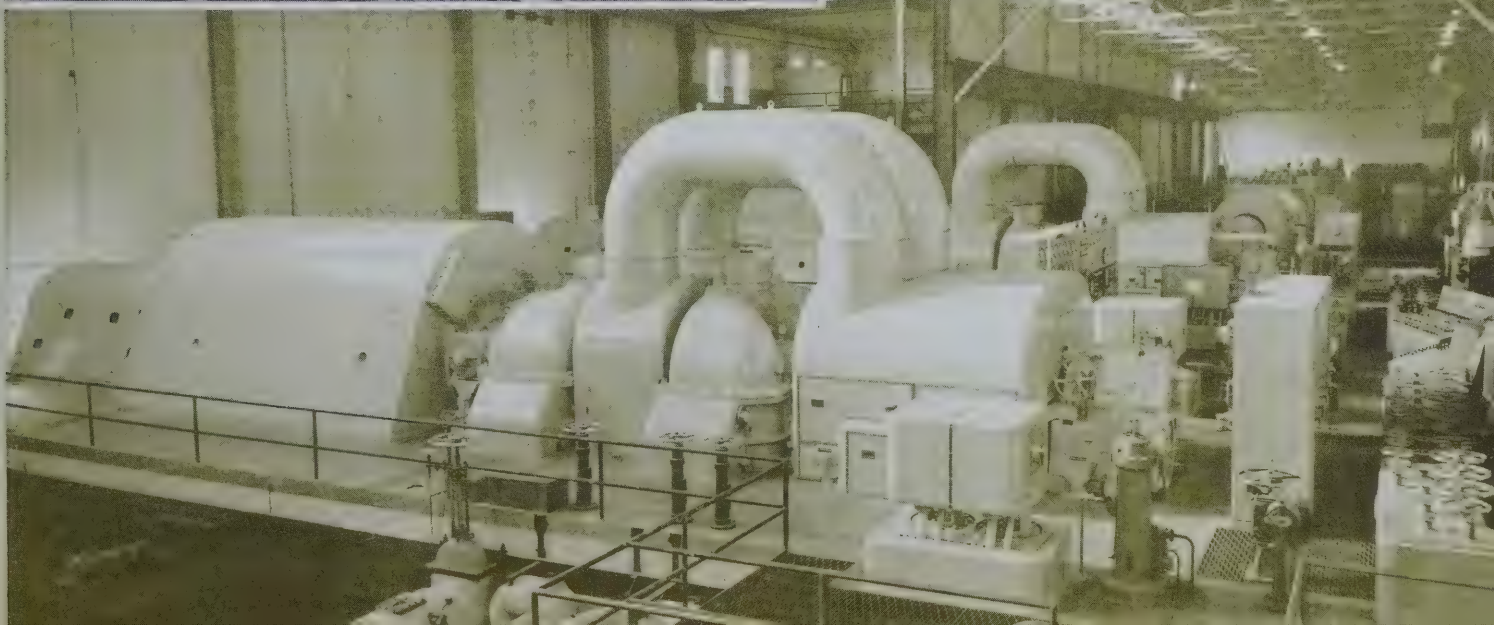
vious year. Total energy requirements for the system amounted to 1,171 million kilowatt hours, an increase of 91 million or 8.42 per cent over the 1965 figure. Over the past five years the energy growth rate has averaged 8.5 per cent.

Sales to other utilities in the Maritime Power Pool reached an all-time high of 414.2 million kilowatt hours, up 50 per cent over the record of the previous year. Sales to New Brunswick accounted for 239.3 million kilowatt hours or 58 per cent of the exported energy. In this amount were 129.9 million kilowatt hours supplied under contract from the Tufts Cove Station. The remaining 109.4 million kilowatt hours was economy thermal power sold during periods of low flow on the Saint John River, which limited the output of hydro plants there. Of the



As time marched on the old station at Water Street gave way to this one. It was built in stages as needed. The first modern unit, a 10,000 kilowatt machine, was built in 1944. During the following years five more units were added. The last one, a 45,000 kilowatt unit installed in 1959, completed the development of this site and brought the capacity of the station up to 165,000 kilowatts.

Since then another 100,000 kilowatt station was built at Tufts Cove on the Dartmouth side of Halifax Harbour - - and plans are now being made to add an even larger unit there in the early 1970's.



174.8 million kilowatt hours sold to The Nova Scotia Power Commission, 155.7 million or 89 per cent of the total, was delivered to their Western Network to relieve the serious hydro deficiency caused by the second consecutive year of minimum precipitation and run-off.

All through the year the value of the Inter-provincial Grid line was again proven beyond doubt. Without it there would have been serious power shortages in New Brunswick and in western Nova Scotia. Industrial operations would have been curtailed and inconvenience suffered by other users of electricity. On the other hand, these sales resulted in increased operating efficiency and earnings for your Company.

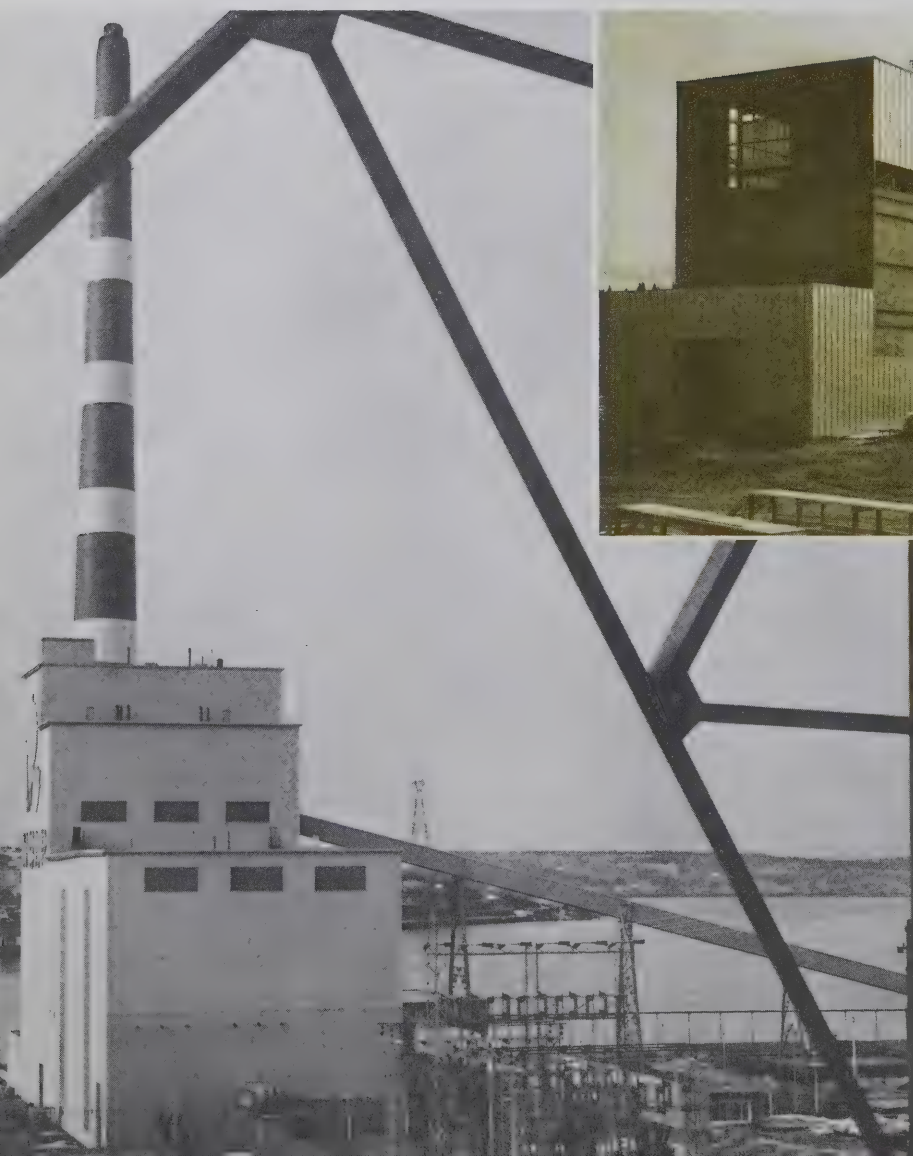
The low rainfall also affected Company operations. Hydro production amounted to only

125 million kilowatt hours. This is about half the hydro output attained in years of high rainfall. Because of the drought the Company's thermal generating stations established new production records. The Tufts Cove Station produced 570 million kilowatt hours . . . looking back this was just about the total energy requirement of the Company's system in 1958. The Water Street Station produced 821 million kilowatt hours.

Thermal production accounted for 81 per cent of the year's requirements. Company hydro stations contributed 11 per cent and the balance, 8 per cent, was purchased.

No difficulty was experienced in meeting all the requirements of retail customers as well as the unusually heavy demand of other utilities.

10



Much of the 1966 output of the new Tufts Cove station went to other utilities in Nova Scotia and New Brunswick. It bolstered their supply during the worst year of drought in 99 years.

There is still plenty of power for new industries like the hardboard plant being built at East River, Chester, by Anil Canada Limited. It is the first time that capital from India has established manufacturing facilities in Canada. They may even use elephants for moving logs and other raw materials.

The Sackville Switching Station completed in early 1966 is a major interchange point on the Company's transmission grid.

SALES AND MARKETS

The rapid growth pattern of recent years continued again in 1966. Overall retail sales amounted to 1,068 million kilowatt hours. This is a new record. It is 8.6 per cent higher than the 1965 figure and is double the figure set in 1958, just 8 years ago. The increase is higher than the Canadian average and right in line with the increase recorded in the United States.

Three factors have contributed to the continuing increase in the use of electricity by all classes of customers. The vigorous sales program which the entire electrical industry has carried out for many years is partly responsible. The Company's well-planned and continuing sales efforts have resulted in growth trends which exceed national averages. Improved economic conditions and industrial growth have also contributed to the gains.

In a broad sense, the Company's sales program has two main objectives, to increase the volume of sales and, at the same time, accomplish this in the way that makes the fullest and most efficient use of generating and distributing facilities. It is only in this way that the unit cost of electricity can be lowered, that better service can be rendered and greater customer satisfaction can be achieved.

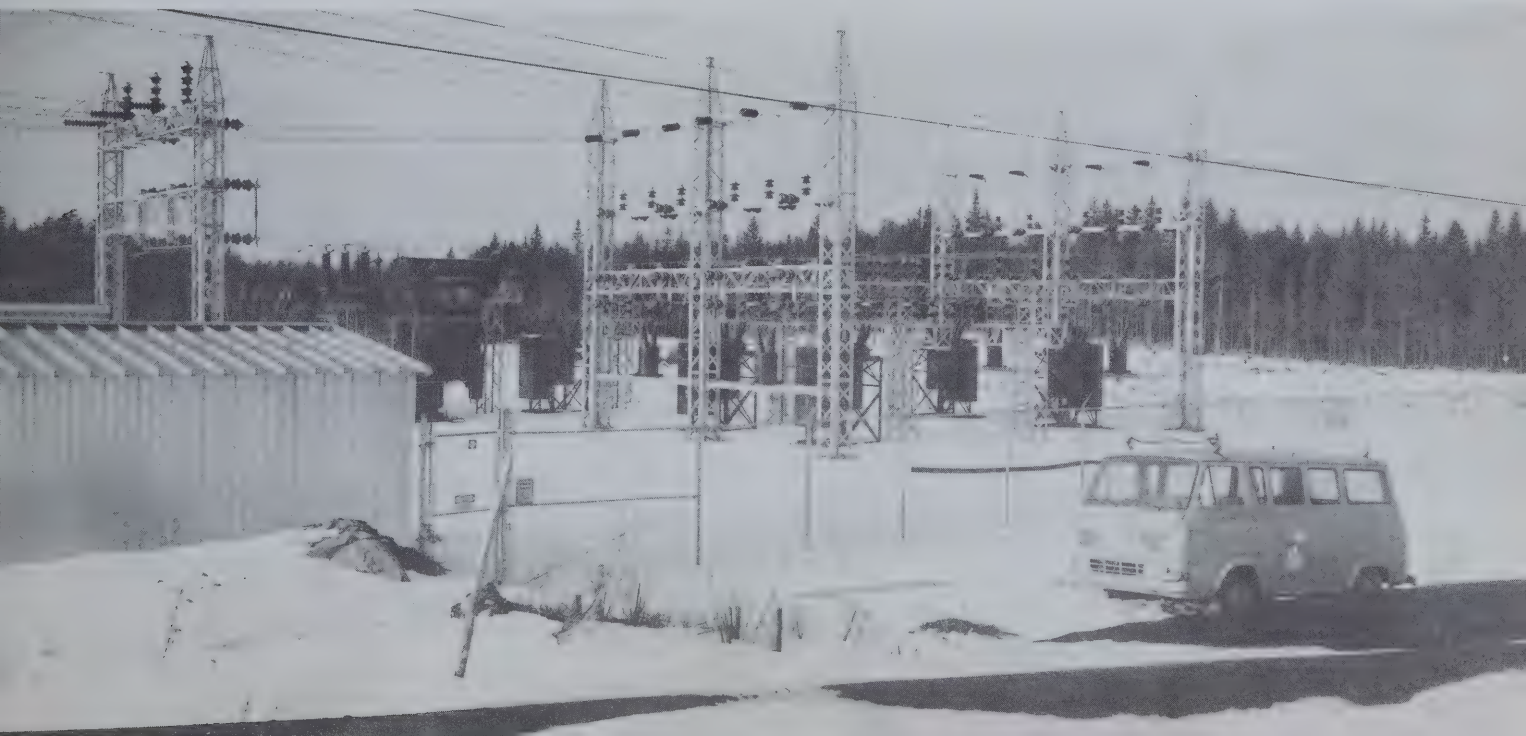
Sales to residential customers totalled 424,981,917 kilowatt hours. This is an increase of 6.7 per cent over the previous year. It indicates that more people are broadening their use of appliances and enjoying better electric living. Residential customers account for 40 per

cent of total sales, a strong indicator of stability and future growth.

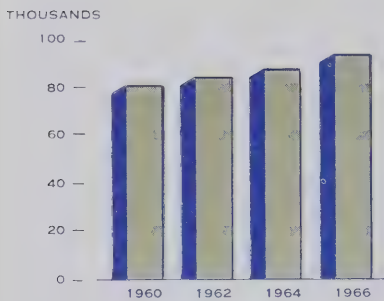
The average annual use by residential customers reached 4,513 kilowatt hours, with the Halifax-Dartmouth area even higher at 5,391. The average residential customer used \$8.05 worth of electricity per month compared to only \$3.78 in 1951, fifteen years ago. But this is just a part of the story. He got much better value for his electric dollar because his use of electricity increased three times from 128 kilowatt hours per month to 376 and the average price of it dropped from 3 cents to 2 cents.

Power sales to industrial users continued the dramatic upward trend so evident in the last few years. This year's increase was 12 per cent. It was higher than that recorded for any other class of service. This again confirms the fact that the economy of our service area is steadily improving and that the gains already made are being consolidated. There are many indications that this industrial growth will accelerate in the immediate years ahead as the parade of new industries continues.

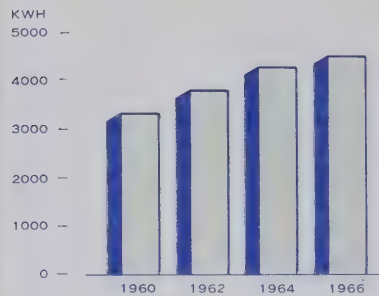
There seems to be no limit to the growth that can be achieved in residential use of electricity. More and more labor-saving appliances continue to be developed in a never ending stream. The Company's sales program includes the operation of five appliance stores. In addition, a number of subsidiary dealers have been set up in strategic parts of the service area and supplied with a consignment stock of appliances.



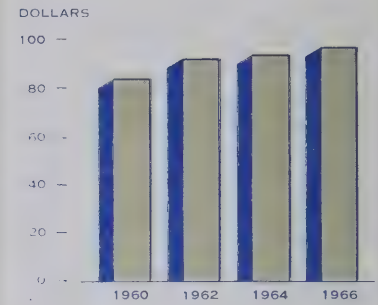
DOMESTIC METERS



ANNUAL AVERAGE USE



ANNUAL AVERAGE REVENUE



FOR FURTHER DETAILS SEE STATISTICS, PAGE 27.

The overall results of the merchandising program are excellent. Sales of appliances in 1966 exceeded the Million Dollar figure for the second consecutive year. Sales by independent dealers were also up. This reflects the impact of the Company's aggressive advertising. In addition, the expenditure for electrical appliances per family in the Halifax-Dartmouth area has been more than double the National Average for three consecutive years.

The most impressive growth is in the field of electric heating. The demand for this service is growing by leaps and bounds. It offers the greatest market for future growth. Your Company is devoting intense effort to promoting this use for electricity. The results so far have exceeded the most optimistic forecasts of a year or two ago.

The efficiency and economy of electric heating have been amply demonstrated. The general public is becoming more aware of its advantages over other fuels. People who have it like it because of its quietness, cleanliness, constancy, safety and ease of room by room control.

The Company has a special staff of consultants, headed by a senior commercial engineer, to provide prospective heating customers with expert advice. During the past year it was necessary to double the staff of this Department in order to effectively process the volume of inquiries.

Another facet of the sales program is the promotion of better lighting. The results are most obvious in the excellent lighting of new office buildings, shopping centres and schools. They can also be seen in the marked upgrading of lighting in older buildings and stores. While out of doors, more effective street lighting is found in every city, town and community served by the Company. In addition, the decorative and protective lighting installed near homes and businesses has added a very noticeable sparkle to the whole countryside.



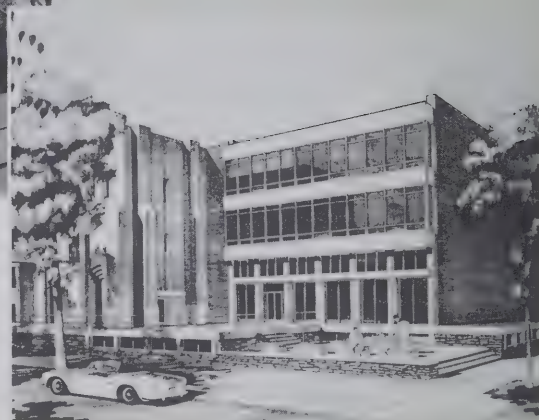
Another all-electric building. This married students apartment house is now being built in Halifax. It is another example of the dramatic building and re-building that is taking place. It helps to emphasize the growth in university facilities.



Construction has already started on the multi-million dollar Scotia Square Development pictured above. Its modern and magnificent structures will replace worn out buildings and slums which once occupied the cleared section shown in the centre of the picture to the right.



Another confirmation of the trend to electric heating came with the announcement on December 1, 1966 that Scotia Square, a major re-development scheme for downtown Halifax, would be an all-electric project. This means, in effect, the provision of lighting, heating, air conditioning and other services to a community of 7500 people in apartments, office buildings, a store, a theatre, an hotel, a trade mart and other buildings. When completed it will be the largest all-electric complex of its kind in Canada. This is a milestone in your Company's progress. It is also a springboard to even greater progress and achievements in the future. Your Company will continue actively to support and serve all such imaginative and progressive projects throughout our service area.



The trend is definitely to "All-Electric". In cities and towns throughout the Company's service area you will find hundreds of attractive homes, apartment and office buildings, stores, post offices, churches, motels, restaurants, industrial buildings and farms which are heated electrically. Their number is growing day by day.



CONSTRUCTION . . .

Commissioning of the Tufts Cove Generating Station in September, 1965 marked the end of the largest single construction project ever undertaken by the Company. It was possible in 1966 to concentrate on other planned and needed construction held in abeyance until completion of "The Cove". During the year a total of \$5,661,158 was spent on capital projects aimed at upgrading of equipment, strengthening of transmission and distribution facilities and generally improving service capability. Both domestic and commercial customers will benefit from the increased efficiency and reliability resulting from these improvements.

During the next three or four years expenditures, except for the Lequille project, will be limited to further improvements of this type. They will be needed to keep pace with the dramatic growth that is taking place in the Company's service area. It is expected that capital expenditures over the next two years will be in the order of \$6,500,000 for 1967 and \$7,000,000 for 1968. These amounts include funds for the re-development of a 15,000 horsepower hydro site on the Lequille River. This is the Company's project for Canada's Centennial. It is a story in itself and is told in detail on page 25 of this Report.

Even though sales of electricity have doubled in the last eight years and are confidently expected to double again in the next eight, no major addition to generating facilities is contemplated until the early 1970's.

In the meantime, as the Company's generating facilities become fully loaded, additional energy to meet growth requirements will be purchased from other utilities in the Maritime Power Pool, who are now making substantial additions to their generating capacity. This is the most prudent and economic course to follow. However, preliminary planning is already under way for the addition of a large-size, high-efficiency unit at Tufts Cove.

During 1966 finishing touches were put on the new 100,000 kilowatt Tufts Cove Generating Station. These included the installation of an auxiliary diesel generator to supply emergency power for essential station services as well as for starting the main generating unit should normal power supply be interrupted. The coal stock pile storage capacity was increased to 12,000 tons. Dust suppression equipment for the coal handling system was installed. A chlorinator for the circulating water system and a plant communication system were also completed.

In Halifax a new 7,500 kva substation was completed at the Victoria General Hospital. This will supply the increasing requirements of this expanding hospital complex. It will also supply the 21-storey, 400 unit, electrically heated Park Victoria apartment building. Underground electrical service was installed to the new Halifax Insurance Office Building as well as to the first stage of the Uniacke Square low-rental housing project and to a private housing development known as Belmont-on-the-Arm. To make way for a new flour mill which is being built in the waterfront area a major substation was relocated.

At Rockingham, a new 7,500 kva substation was built and a start was made on converting that distribution system from 4,000 to 12,000 volts. This work was needed to take care of growing loads in the area. It will also reduce the load on the Fairview substation and defer major capital expenditures there.

In the Dartmouth area a second 69,000 volt transmission line from Farrell Street Substation to Imperial Oil was completed. This was needed to reinforce the bulk power supply to this rapidly growing area. This line provides a more adequate supply for the substation at Woodlawn where the capacity was increased from 5,000 to 7,500 kva, as well as for the new 7,500 kva substation at Penhorn Lake. The capacity of the substation at Burnside was doubled and underground service was installed for the first phase of the Caledonia Village housing development.

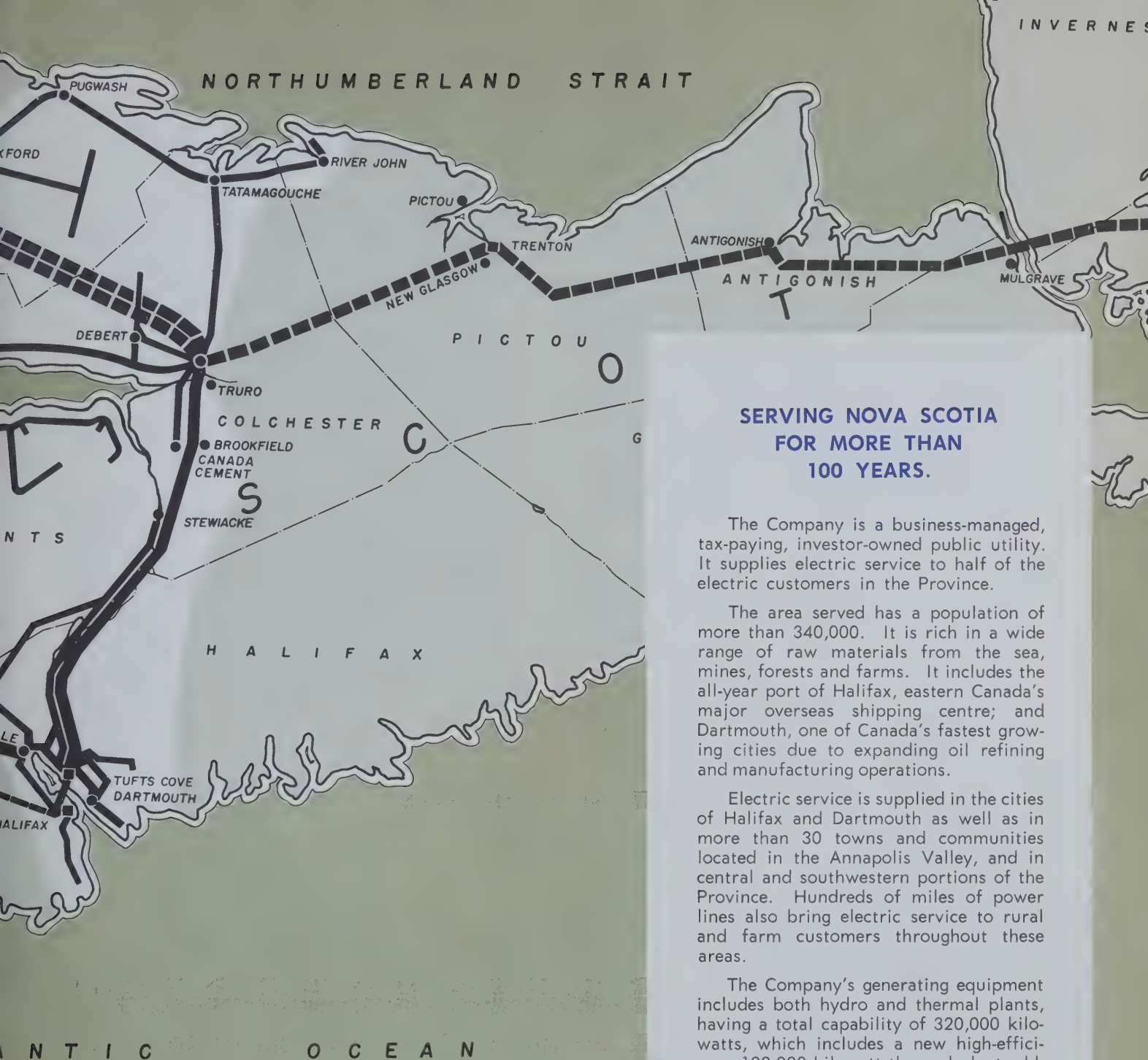


This automobile assembly plant has been operating successfully here for several years. Now another is establishing in Nova Scotia.



GOOD
SERVICE
AT
LOW
COST





LEGEND

- Nova Scotia Light and Power Company's Lines —————
- Lines of other utilities - - - - -
- Generating Stations ■

SERVING NOVA SCOTIA FOR MORE THAN 100 YEARS.

The Company is a business-managed, tax-paying, investor-owned public utility. It supplies electric service to half of the electric customers in the Province.

The area served has a population of more than 340,000. It is rich in a wide range of raw materials from the sea, mines, forests and farms. It includes the all-year port of Halifax, eastern Canada's major overseas shipping centre; and Dartmouth, one of Canada's fastest growing cities due to expanding oil refining and manufacturing operations.

Electric service is supplied in the cities of Halifax and Dartmouth as well as in more than 30 towns and communities located in the Annapolis Valley, and in central and southwestern portions of the Province. Hundreds of miles of power lines also bring electric service to rural and farm customers throughout these areas.

The Company's generating equipment includes both hydro and thermal plants, having a total capability of 320,000 kilowatts, which includes a new high-efficiency 100,000 kilowatt thermal plant added in 1965.

All high voltage transmission lines are interconnected into a main transmission system which provides a backbone for reliability and future growth. This system is also connected to the Interprovincial Grid Line which ties together the major utilities in Nova Scotia and New Brunswick.

The Company operates a mass transportation system within the City of Halifax, using electric trolley coaches and diesel buses.

The Company also supplies steam heating service in Halifax to the Railway and Ocean Terminals, and the Nova Scotian Hotel.

Near Hubbards the 138,000 volt line was tapped to supply service to substantial new loads in that area. These include the Anil Hardboard Plant, the first time an industry has been established in Nova Scotia by capital from India, and the new DND Blandford radio station development. A 5,000 kva substation was also built there.

The thirty-six year old 69,000 volt line between Sackville and Armdale was rebuilt and larger conductors were installed to increase the capacity of this vital link in the Company's transmission grid.

At Greenwich, the substation capacity was increased from 2,000 to 5,000 kva to meet growing demands in that area. At Klondike, near Kentville, a new 10,000 kva transformer station was built to strengthen the bulk power supply for the Kentville-Berwick area.

In the Yarmouth end of the Province, the transmission line from Tusket to Woods Harbour was converted from 23,000 to 69,000 volts and a major new connection was established with The Nova Scotia Power Commission's western network. This provides greater reliability for the whole western end of the Province. Both present customers and new industries associated with fisheries and sea products will benefit greatly from this improvement. At

Hebron, a new 3,750 kva substation was built to meet increased demands there and to relieve load on the substation at King Street in Yarmouth.

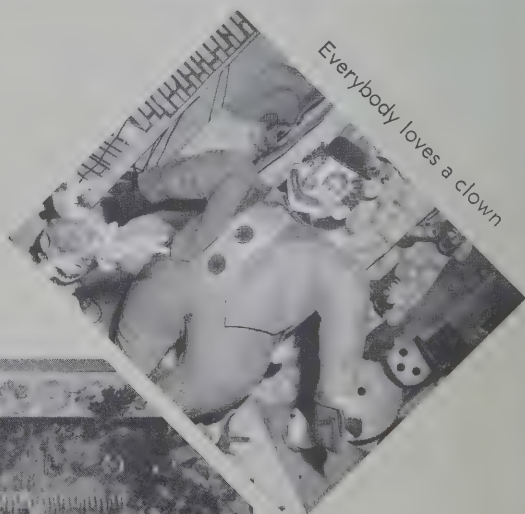
Office and service facilities were expanded to cope with the growing needs of our business. In Halifax, a storey was added to the building occupied by the Company's Engineering Division, and a building was purchased to serve as a warehouse for the merchandising operation. A new warehouse and outdoor storage facilities were constructed for a Dartmouth regional headquarters. In Stewiacke, a building was purchased and renovated to serve as a District headquarters and storeroom. Similar new facilities were provided at Noel and Kingston for the same purpose. At Wolfville and Middleton, additions were made to existing facilities.

The capital projects planned for 1967 follow the pattern set in 1966. They will be necessary to meet the constantly growing demands of present users and to supply the many new industries, shopping centres and housing developments that are being built. For the most part they will consist of further strengthening and extending distributing facilities both overhead and underground. Construction will continue on the 15,000 hp hydro generating station at Lequille which is scheduled for completion in 1968. Minor amounts will be expended on buildings, vehicles and other necessary equipment.

No wonder the kiddies laugh



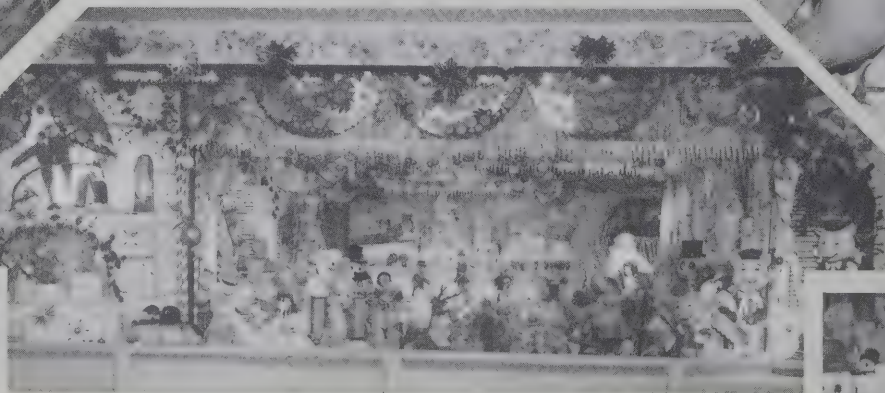
Everybody loves a clown



Santa's helpers are all there too . . .



Now in its tenth year the Land of Fantasy has been viewed with enjoyment by almost 500,000 kiddies of all ages. Created and produced by the Company's display artist it is the only one of its kind in the world. Santa and many of the characters of children's fairy tales and songs are featured in this animated display.



Snow men galore . . . a delight to all



PUBLIC RELATIONS

From its beginning your Company has always been very sensitive to the importance of maintaining good relations with all of its publics. While its basic policy has been to provide good service to its customers, it has also endeavoured to enhance its reputation through a wide variety of other activities.

In the broad field of corporate citizenship the Company has actively identified itself with all community efforts to improve economic growth, encourage industrial and commercial expansion, solicit new industries and generally improve the business climate of the Province.

The employees of the Company, who are the real task force of the public relations effort, continue to do their full share. The fine contribution they are making and the leadership they are providing in Boards of Trade, civic bodies, service clubs, charitable and educational organizations and many other groups is fully supported by the Company. This is both good citizenship and good business. Participation in community affairs broadens the outlook and capability of employees, thus making them more valuable to both the Company and the community.

For its customers the Company provides high quality service at the lowest possible rates consistent with good management. Continued effort is made to improve our service, increase

its value and render it more courteously and efficiently.

The interest and confidence of stockholders has been won and maintained by the way we run our business, the results we have achieved, and because its future growth outlook makes it an attractive investment opportunity.

The Company as a good corporate citizen, does its full share in actively and financially supporting educational, charitable and cultural organizations and all other groups who work for community betterment; and each year awards a number of scholarships to outstanding university students. The Company takes pride in the appearance of its properties and endeavours to landscape and maintain them so that they will be a credit to the community. Wherever possible on its hydro storage lakes, picnic parks have been developed for all to enjoy. To broaden the use of these lakes for sportsmen a comprehensive fish-stocking program has been undertaken with the cooperation of the Province's Department of Conservation.

Your Company is proud of the excellent public relations it enjoys. From humble beginnings one hundred years ago, we have come a long way. In the years ahead, we will continue to be friendly and to serve the best interests of our customers, our employees, our stockholders and all people in the Province we serve.

Company support of community activities takes many forms. This specially painted trolley coach aided the United Appeal.

Company employees are the largest contributors to charity of any group in the Halifax-Dartmouth area. Through their own Charitable Fund alone they contributed \$12,000 to recognized charities.

The Company's float was a major attraction in parades at a number of centres throughout the Province.



TRANSIT

During the year the Company marked the one hundredth anniversary of Transit service in Halifax. Its beginning on June 11, 1866, was a gala affair. It provided a much needed service. It is needed even more today.

The first horse-car Company had five covered passenger cars, which were described as elegant, light and airy, as well as two-platform cars. Today, the fleet of trolley coaches and diesel coaches numbers ninety-three and supplies service to all parts of the City.

Over the years transit operations have had their ups and downs; but for one hundred years it has provided Haligonians with an essential and ever-improving service. Its need has never been disputed and today it is more necessary than ever before. During two world wars, when new equipment was not available, its facilities were overtaxed almost to the breaking point. But with the coming of peace new vehicles were bought and excellent and expanded service was again restored.

Today, the Company is not happy with its Transit operation. The number of passengers using the service has dropped from a high of 26,358,293 in 1952 to only 10,588,929 in 1966. This drop in patronage is the root of the problem.

There are several reasons for it. Halifax is built on a peninsula with all of the land area fully occupied. All new growth is taking place either outside the City or in the form of high

rise structures replacing older buildings in the City. Both of these trends have an adverse effect on transit operations.

The high rise apartment and office buildings do not contribute any appreciable number of passengers to the transit system. Instead, they tend to create spots of greater traffic density and congestion. The growth outside the City puts an ever-increasing number of automobiles on city streets to add further to the congestion. In the early morning, at noon and late afternoon, when people are going to and from their homes and work, the congestion is most intense. It can be seen any day. It is worst at the approaches to the Angus L. Macdonald Bridge and at the rotaries leading out of town; but it is reflected well back on City streets even to downtown areas. This is the situation at the times when streets should have fast moving traffic so that transit vehicles can move freely and be allowed to provide the fast, high-quality mass transportation service they are capable of.

The amalgamation of Halifax and its suburbs is moving closer to realization. With it there is greater need for regional planning and regional facilities of many kinds. One of these is the mass transportation of people. This points up the definite need for a well-integrated transit system for the whole area which must be supported by the communities and operated by one authority.

The Company will do all that it can to assist in bringing about such a system and authority.

Professional Drivers — 72 Trolley Coach Operators — received the National Safety Council's Safe Driver Awards. Forty of these men have had "accident-free" records for four years or more . . . in this group there are 5 with an eight-year record, 7 with a nine-year record, 5 more with a ten-year record, 4 with eleven years, and one who has driven summer and winter, day and night, in all kinds of weather for twelve years without an accident.





Major General Doyle was Lieutenant Governor of Nova Scotia from 1867 to 1873. He was one of those who rode in the first horse car in 1866 from Province House to the Richmond Depot near the foot of Duffus Street.

In replying to a toast Doyle said "the Halifax Railroad Company would always be successful if it continued to carry a complement of handsome ladies."

Maybe the General had the cure for today's ailing transit systems.



The original horse car gang at their Depot. The signs at the tops of the cars read "K.D.S. the greatest cure of the age for indigestion." It was the first transit advertising in America.



Mrs. Maud Foley was one of the women conductors who worked on the old "two man" cars during World War 1. Old number 11 was one of them. It was on the Richmond-Spring Garden Road run.



In 1909, at the funeral of W. D. Prendiville, the Superintendent of the Tramway Company, a tram car was used as a hearse. It was the only time on record that this has been done. Several years ago Ripley featured it in his "Believe it or Not" newspaper series.



The Birney cars say good bye to the people of Halifax. Many hated to see them go. The clang, clang, clang of the trolley would be missed. It was an emotional day. There were mixed feelings.

Next day, March 28, 1949 the Mayor of Halifax, G. E. Ahern officially opened the new trolley coach service. People loved them and business boomed for the next five years until traffic congestion slowed them down.



EMPLOYEES

Your Directors are gratified at the continued progress of the Company and its success in meeting the ever-increasing demands of a growing number of customers. They realize that these results would be impossible without the combined efforts of a loyal and devoted employee force. They are, therefore, pleased to include in this report a sincere tribute to the men and women who serve our customers so efficiently and courteously. They appreciate the efforts of those who do the "little extra" in performing their duties and ensuring that our service is of the highest possible quality.

Many skills, trades and professions are represented in the 1,023 men and 141 women employed by the Company. They are all necessary in the complex activities that go to make up good service to our customers.

The employee force is an experienced one. In it there are 216 people who have more than 25 years of service; 284 have between 15 and 24 years; while 664 have served up to 14 years. The large number of career employees and the stability of the work force are of value to both customers and stockholders alike. They ensure good service and efficient operation.

The efficiency of the whole work force con-

tinues to improve as new and better methods are introduced. This improvement has helped the Company to hold down the cost of electricity in the face of inflation and rising costs of money, materials and wages. The loyalty of employees is continually shown in their handling of unusual and emergency situations. Their devotion to Company goals is reflected not only in their day to day work and the continued progress of the Company but also in the contribution they make to community affairs and to advancing the economy of the Province.

Social and recreational activities of many kinds are enjoyed by employees through membership in their Kilowatt Club. These activities have helped to foster a spirit of friendliness and cooperation so evident in their day to day work.

New employees are attracted to the Company because it offers career opportunities. New positions are filled through a personnel process that some may regard as unduly exacting. We are very particular because we know that the quality of service our customers receive depends on the quality of the people we hire.

For permanent employees the Company provides a broad and well balanced program of savings, benefits and training, pays good sal-



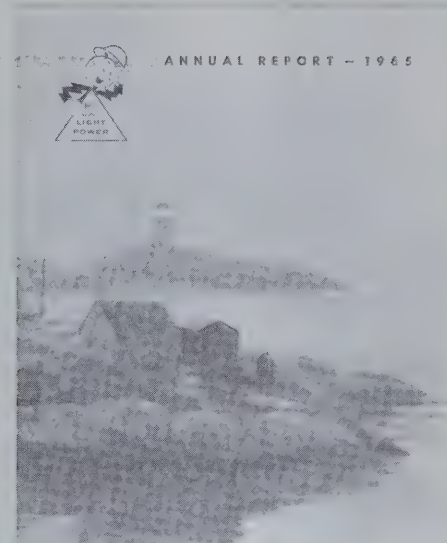
The Company's continuing co-operation in the Safety and Accident Prevention Program is shown in the emphasis that has been given to safety training - - - in the wide range of safety equipment that has been provided - - - in the safe working practices that have been developed - - - and in the constant vigilance given to the removal of accident hazards.

The co-operation of employees is shown in the improvement in their attitude toward safety and the greater care they take in doing their work.

The general safety record continues to improve. But notwithstanding all this there was one fatal accident in 1966. Had it not happened the record would have been an excellent one.

Again in 1966 your Company won recognition in a number of fields of endeavour. Some of the awards illustrate the accomplishments of the Company and its employees in the field of good citizenship. Others are indicative of the Company's position of leadership in the electric utility industry.

We are proud of the recognition we have received. We shall continue our efforts with the hope that they will contribute to the betterment of the Company and Nova Scotia.



The Company's Annual Report won a First Prize award in the Reddy Kilowatt Annual Report Contest. The award presented at The Edison Electric Institute Convention commended the Company "for its outstanding annual report which so splendidly illustrates, humanizes and simplifies to stockholders the Company's operations during the past year".

STOCKHOLDERS

aries and wages, offers a good climate of working conditions and operates on a policy of promoting from within the ranks wherever possible.

The total payroll for 1966 amounted to \$6,367,517. The cost to the Company of all employee benefits amounted to more than \$1,000,000.

In an age of ever changing technology, personnel training and development are essential to maintaining and increasing employee efficiency and to improving operating results. The Company has a broad program of employee training ranging from development courses for senior management to apprenticeship plans. The Company has sponsored the training of selected employees at outside institutions ranging all the way from Harvard, Columbia and other Universities to Vocational Schools. The value of this training is shown in the increased depth of management and supervisory skills as well as in the more effective performance of employees in almost every phase of Company effort.

As a gesture of good citizenship, employees of other firms are invited to participate in Company training programs. This helps to promote closer understanding and results in mutual benefits to our own Company and the other firms. Assistance with training problems was also given to the Provincial Departments of Health and Agriculture, the Canadian Nurses' Association, the Sisters of Charity and others.

At year end the Company's Ordinary Shares were owned by 8,476 stockholders. The three classes of Preferred Shares were owned by 3,764 stockholders. During the year the number of stockholders increased by more than 1,200. They invested their savings in the Company in the hope of sharing in its profits and growth.

At a special meeting of stockholders held on March 30, 1966, at the Company's Head Offices in Halifax, approval was given to your Directors' recommendation that the Ordinary Stock of the Company be split on the basis of three shares for every Ordinary share held as of April 14, 1966. This action was in line with Company policy of making its stock as attractive as possible to the investor with modest means and to ensure a wide distribution of stockholdings. The success of this move is shown in the increased number of people who bought shares.

Investment in the Company has come traditionally from all sections of the Province. We are gratified that most of our stockholders are Nova Scotians. Many of them are customers of the Company while some of them are also employees. In this diversity of ownership lies our strength because it assures widespread and sympathetic interest in the progress of our Company where it counts most . . . here in Nova Scotia.

Throughout the years, the Management of

the Company has striven to provide to its owners, the holders of its Ordinary shares, a growing per share value, measured in terms of both income and appreciation . . . this growing value to be as high as possible consistent with the Company's responsibilities to its customers, employees and the general public. Every effort has been made to provide for its stock a ready and sound market.

The Company has always maintained a sound and conservative capital structure and a proper balance between retained earnings and dividends. The need for new funds has been minimized by the re-investment of retained earnings in the business. This has increased the Company's ability to attract new capital when needed and has provided good protection to the investors in the Company's bonds.

In meeting these objectives the Company has been aided by the efforts of its whole work force, by steady and substantial increases in its business and by fair and understanding treatment by regulatory authorities.

The Company makes a special effort to keep stockholders, the financial community and the general public fully informed on the affairs, activities and progress of the Company so that their investment decisions can be made with full and complete knowledge of the Company's standing and opportunities. This report is a part of that effort. It is designed to tell you, in a readable way, the activities and results of the Company's year.

FUTURE

While your Company is proud of its record of the past it looks forward to the future with even greater confidence, anticipating continued growth, greater sales and increased earnings. There are many reasons to support this confidence.

The Province's Voluntary Economic Plan-

ning Program, of which your President and General Manager is Chairman, is producing a blueprint and plan for action to improve every sector of the economy.

The combined efforts of many organizations including Industrial Estates Limited, the Department of Trade and Industry, the Atlantic Development Board, civic and regional industrial development commissions and your Company are achieving dramatic results in establishing new industries in Nova Scotia.

Construction of new residential and commercial projects is underway in almost every city and town in the Province. Even greater developments are on the drawing boards for tomorrow.

The increasing development of research facilities by Universities and Governments is making Nova Scotia an even more attractive place for industry. The tremendous growth of University facilities and their expanding curricula coupled with the increasing number of vocational and technical schools are providing the training and skills that are needed.

Your Company has maintained a long-term growth trend of doubling every eight or nine years. This trend is expected to continue. It may even accelerate with the increasing number of new uses for electricity that are being developed.

The Company has a responsible and efficient employee force. Its equipment is in excellent condition and adequate to meet growing demands without major expenditures over the next few years.

Our business, however, is to provide electric energy for the people and communities we serve in whatever amounts they want. Our job is to build and operate whatever facilities may be needed to do this. We have done it in the past and we will do it in the future.

Consistent with this firm faith in our future we have set our goals and made our plans. We are working at them now.

J.C. Macdonald

Chairman of the Board

A.R. Bairington

President and General Manager





THE LEQUILLE POWER STATION

Our Centennial Project



Company President and General Manager A. R. Harrington examines a model of the proposed Lequille Generating Station. The exterior water wheel will make it an interesting subject for camera fans.



1967 is Canada's Centennial Year. It marks 100 years of Confederation. The nation, its provinces, communities, corporations and many other organizations are celebrating this anniversary with projects of almost every conceivable kind.

Your Company's project is different from all the others. It is unique and imaginative and has captured the interest of people all across Canada, as well as in the United States.

In the spring of 1607, Poutrincourt, a Frenchman of Champlain's time, built the first grist mill in North America at tide level on the Lequille River, near Annapolis Royal.

Lescarbot, the French historian, wrote "... and considering how troublesome the handmill was, he caused a water mill to be made which caused the savages to admire much at it. After that our workmen had much rest, for the most part of them did almost nothing."

There was no fear of job displacement by improved technology at that time. The workers loved it.

Now, Lequille, the river with a 360 year history, having had eighteen mills of many

kinds, is to be redeveloped once more. The new "mill" will be a hydro electric station with capacity of about 11,000 kilowatts. It will replace a smaller station which has been there for some years.

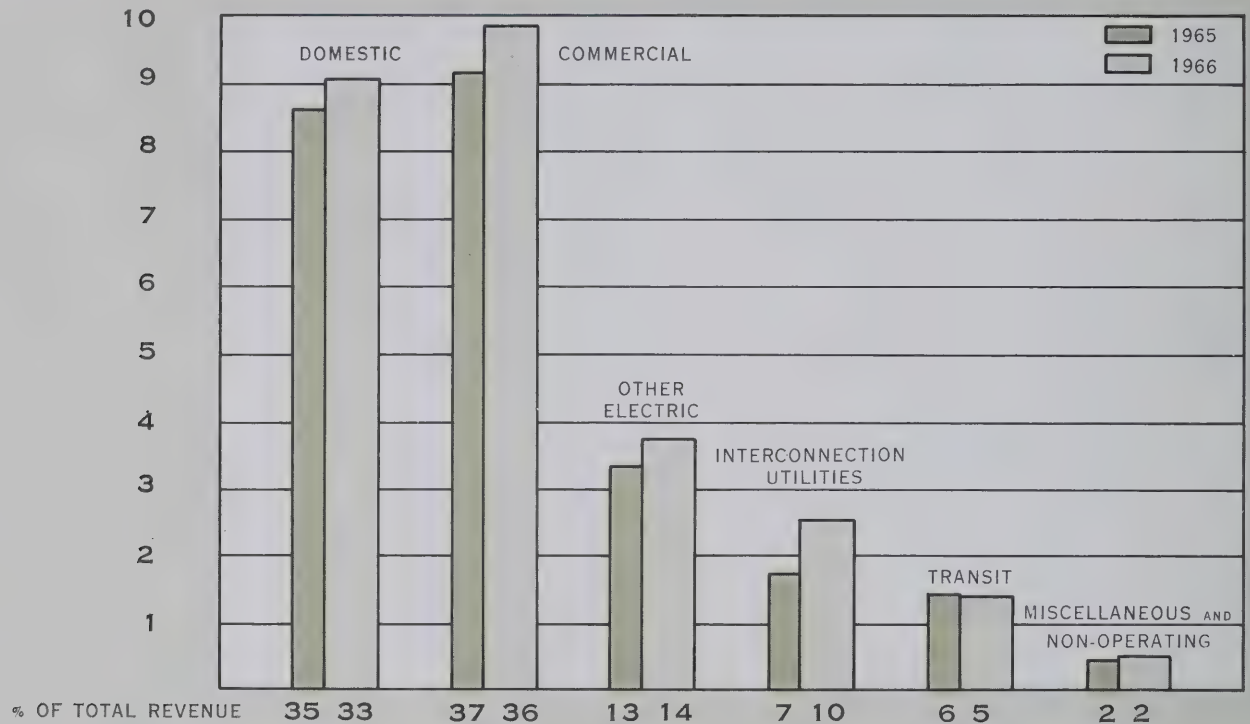
The building which will house the generating equipment will not be an exact replica of Poutrincourt's mill. The records left by Champlain and Lescarbot failed to leave any structural details. It will, however, be a replica of a French Mill of the period shown in Diderot's Encyclopedia published in 1763. The exterior of the mill will be faced with old brick of a type made in the Annapolis area in the same period. The roof will be covered with hand split shingles. The grounds will be landscaped and will provide areas for historic monuments.

It will add to this historic area another attraction which could be as interesting as Fort Anne in Annapolis, and the replica of Champlain's Habitation at Port Royal.

Lequille may well stand as a monument to the gallant French colonists, who, through their "L'Ordre de Bon Temps" discovered the real secret of good times—individual enterprise and responsibility.

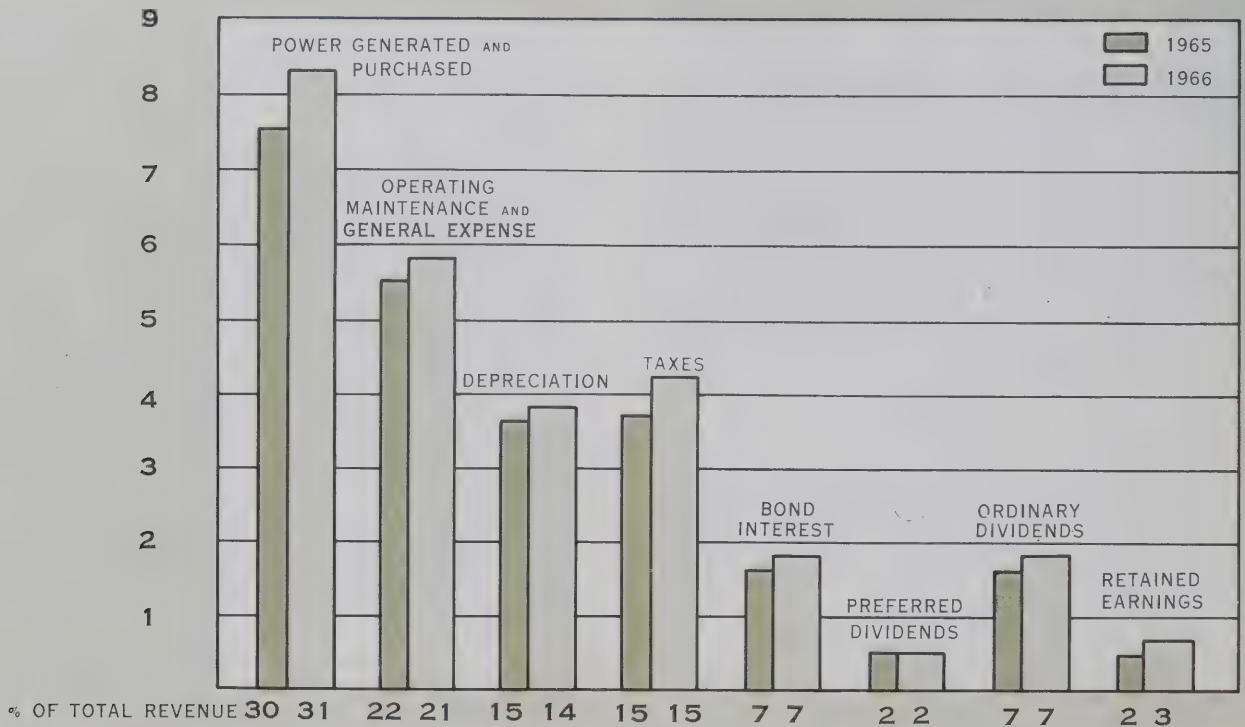
SOURCES OF REVENUE 1965 AND 1966

MILLIONS OF DOLLARS



DISPOSITION OF REVENUE 1965 AND 1966

MILLIONS OF DOLLARS



STATISTICS

	1966	1965	1964	1963	1962
Revenue Sales					
Domestic	\$ 9,093,407	\$ 8,634,853	\$ 8,264,421	\$ 7,958,545	\$ 7,789,737
Commercial Light	3,200,889	3,202,648	3,133,054	3,202,360	3,089,470
Commercial Power	3,257,917	2,965,919	2,694,885	2,579,336	2,459,835
General Service Lt. & Pr.	3,432,839	3,012,283	2,706,574	2,624,276	2,403,587
Industrial Power	2,346,640	2,056,754	1,780,192	1,579,879	1,437,020
Other Electric Utilities	430,958	420,435	379,367	350,373	318,957
Miscellaneous	982,103	877,140	770,394	695,919	647,071
Consumer Forfeited Discounts	258,322	214,603	217,564	199,002	178,608
Total Revenue	\$ 23,003,075	\$ 21,384,635	\$ 19,946,451	\$ 19,189,690	\$ 18,324,285
Sales to Grid Interconnection	\$ 2,592,144	\$ 1,728,028	\$ 782,255	\$ 230,603	\$ 547,527
Kilowatt Hours					
Domestic	424,981,917	398,433,244	378,549,024	349,999,531	323,604,646
Commercial Light	96,568,585	95,959,400	93,517,288	88,004,978	83,039,333
Commercial Power	144,482,039	126,235,565	111,611,050	104,245,751	96,940,308
General Service Lt. & Pr.	156,139,146	137,044,983	123,386,695	113,496,882	104,204,712
Industrial Power	190,166,313	170,360,131	142,180,008	124,038,386	106,729,851
Other Electric Utilities	32,523,607	31,887,320	27,929,074	25,249,731	23,110,987
Miscellaneous	23,511,715	23,971,993	21,744,057	21,448,414	21,381,561
Total Sales	1,068,373,322	983,892,636	898,917,196	826,483,673	759,011,398
Sales to Grid Interconnection	414,207,200	275,011,000	128,742,300	39,721,500	83,209,878
Customers (as at December 31)					
Domestic	94,162	92,168	87,760	86,484	84,404
Commercial Light	8,702	8,711	10,039	9,658	9,639
Commercial Power	4,857	4,756	6,872	7,148	6,789
General Service Lt. & Pr.	772	471	343	134	97
Industrial Power	32	30	26	24	32
Other Electric Utilities	4	3	3	3	4
Miscellaneous	65	67	67	63	59
Total	108,594	106,206	105,110	103,514	101,024
Transit					
Operating Revenue	\$ 1,421,554	\$ 1,458,992	\$ 1,534,853	\$ 1,592,218	\$ 1,691,594
Revenue Passengers Carried	10,588,929	12,463,329	13,185,294	13,944,043	14,927,844
Revenue Coach Miles	1,789,827	1,850,101	1,994,642	2,115,405	2,231,503
Employees					
Number as of December 31	1,164	1,173	1,203	1,116	1,132
Wages and Salaries Paid	\$ 6,367,517	\$ 6,520,706	\$ 5,816,864	\$ 5,356,630	\$ 5,204,022
Ordinary Stock					
Shares Outstanding Dec. 31*	4,922,649	1,635,845	1,331,059	1,626,196	1,621,964
Number of Stockholders	8,476	7,177	7,183	7,321	7,453
Dividends Declared on					
Ordinary Shares	\$ 1,884,857	\$ 1,634,073	\$ 1,629,301	\$ 1,543,353	\$ 1,296,459
Earnings per Share	\$.55	\$ 1.69	\$ 1.65	\$ 1.53	\$ 1.53
Dividends per Share**	\$.38	\$ 1.00	\$ 1.00	\$.90	\$.80
Preference Stock					
Total Par Value Preference					
Shares	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200	\$ 11,786,200
Dividends Declared on					
Preference Shares	\$ 530,557	\$ 530,557	\$ 530,557	\$ 530,557	\$ 530,557

Revenue from kilowatt hour sales to regular customers amounted to \$23,003,075; in addition, sales to interconnected utilities provided revenue of \$2,592,144; steam heat and other non-operating revenues account for \$213,116 making the total of \$25,808,335 shown on the Statement of Earnings (page 30).

*Change accounted for by sales to employees under employees' stock purchase plan, and the three for one split of the ordinary stock, April 14, 1966.

**First quarterly dividend \$.25 per share (pre split). \$.10 per share remaining three quarters.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Balance Sheet as at December 31st, 1966

	ASSETS	
	1966	1965
FIXED ASSETS		
Utility plant at cost		
Electric	\$110,712,701	\$105,996,974
Transit	3,595,987	3,595,987
	<u>114,308,688</u>	<u>109,592,961</u>
SINKING FUNDS HELD BY BONDHOLDERS' TRUSTEE	42,442	53,752
DISCOUNT ON BOND ISSUES LESS AMOUNTS AMORTIZED	104,913	(18,470)
SPECIAL REFUNDABLE TAX (Note 1)	220,000	—
CURRENT ASSETS		
Cash	28,848	33,110
Short-term investments at cost and approximate market value	1,301,415	40,685
Accounts receivable	1,963,610	2,194,383
Materials, supplies and merchandise at average cost	1,821,369	1,766,196
Prepaid expenses	193,056	180,573
	<u>5,308,298</u>	<u>4,214,947</u>
	<u>\$119,984,341</u>	<u>\$113,843,190</u>

Signed on behalf of the Board

V.T. MacKeen
Director

A. Harrington
Director



SHAREHOLDERS' EQUITY AND LIABILITIES

	1966	1965
SHAREHOLDERS' EQUITY		
Capital stock (Note 2)		
Cumulative preference shares	\$ 11,786,200	\$ 11,786,200
Ordinary shares	11,462,269	11,330,946
	<u>23,248,469</u>	<u>23,117,146</u>
Earnings retained for use in the business	13,435,398	12,571,551
Miscellaneous reserves (Note 3)	653,556	600,106
	<u>37,337,423</u>	<u>36,288,803</u>
LONG-TERM DEBT (Note 4)	<u>37,759,000</u>	<u>33,418,000</u>
ACCUMULATED DEPRECIATION		
Electric	33,875,251	30,910,517
Transit	2,715,244	2,591,160
	<u>36,590,495</u>	<u>33,501,677</u>
ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEARS (Note 5)	<u>4,017,181</u>	<u>3,849,037</u>
CURRENT LIABILITIES		
Bank indebtedness	82,279	1,078,170
Notes payable	—	1,500,000
Dividend payable (ordinary)	492,265	408,961
Accounts payable	1,063,735	1,828,967
Income and other taxes	1,329,970	930,943
Interest accrued on long-term debt	423,716	353,021
Consumers' deposits including accrued interest thereon	273,277	281,611
Current maturities on long-term debt	615,000	404,000
	<u>4,280,242</u>	<u>6,785,673</u>
	<u>\$119,984,341</u>	<u>\$113,843,190</u>

The accompanying notes are an integral part of this financial statement.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Statement of Earnings for the year ended December 31, 1966

	1966	1965
REVENUE		
Electric division	\$25,808,335	\$23,359,081
Transit division	1,421,554	1,458,992
	<u>27,229,889</u>	<u>24,818,073</u>
EXPENSES		
Cost of power generated and purchased	8,315,578	7,561,740
Operating, maintenance and general expenses	5,851,207	5,560,139
Taxes other than income taxes	1,354,184	1,219,756
Depreciation using straight line method at rates approved by the Nova Scotia Board of Commissioners of Public Utilities	3,834,270	3,675,700
Interest (Note 6)	1,704,599	988,982
Provision for income taxes		
Current	2,756,593	2,276,222
Deferred	168,144	232,242
	<u>23,984,575</u>	<u>21,514,781</u>
NET EARNINGS	<u>\$ 3,245,314</u>	<u>\$ 3,303,292</u>
NET EARNINGS	\$ 3,245,314	\$ 3,303,292
DIVIDENDS DECLARED ON PREFERENCE SHARES	<u>530,557</u>	<u>530,557</u>
NET EARNINGS AFTER DIVIDENDS ON PREFERENCE SHARES	<u>\$ 2,714,757</u>	<u>\$ 2,772,735</u>
EARNINGS PER ORDINARY SHARE*		
Before stock split	\$1.66	\$1.69
After stock split	\$.55	\$.56

*Ordinary shares split three for one effective April 14, 1966.

The accompanying note is an integral part of this financial statement.



NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Statement of Retained Earnings for the year ended December 31, 1966

	1966	1965
BALANCE AT BEGINNING OF YEAR	\$12,571,551	\$11,911,575
Net earnings for the year	3,245,314	3,303,292
Miscellaneous non-operating adjustments	33,947	21,943
	<u>15,850,812</u>	<u>15,236,810</u>
Dividends declared		
Preference shares	530,557	530,557
Ordinary shares	1,884,857	1,634,073
	<u>2,415,414</u>	<u>2,164,630</u>
Write off of unamortized share discount and expense	—	389,464
Appropriation to accident reserve	—	30,000
Vacation pay accrual net of tax	—	81,165
	<u>2,415,414</u>	<u>2,665,259</u>
BALANCE AT END OF YEAR	<u>\$13,435,398</u>	<u>\$12,571,551</u>

AUDITORS' REPORT

To the Shareholders
Nova Scotia Light and Power Company, Limited

We have examined the accompanying financial statements of Nova Scotia Light and Power Company, Limited for the year ended December 31, 1966 comprising the balance sheet as at that date and the statements of earnings and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, the aforementioned financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Riddell, Stead, Graham & Hutchison,
Chartered Accountants.

Halifax, N. S.
January 21, 1967

Notes to Financial Statements

NOTE 1—SPECIAL REFUNDABLE TAX

This special tax at the rate of 5% was introduced in the 1966 Federal Budget to curb inflation and is payable by all corporations that are not exempt from tax with respect to each taxation year included in whole or in part in the period commencing May 1, 1966, and ending October 31, 1967.

NOTE 2—CAPITAL STOCK

Authorized: Cumulative redeemable preference shares
 24,300 shares 6% (redeemed in 1954)
 20,000 shares 4% par value \$100
 127,572 shares 4½% par value \$100
 80,000 shares 5% par value \$50
 Ordinary shares of no par value
 7,500,000 shares

Issued: Cumulative redeemable preference shares

20,000 shares 4%
 77,572 shares 4½%
 40,580 shares 5%

Ordinary shares

4,922,649 shares (1965 — 1,635,845 before stock split)

All preference shares are redeemable at the option of the company at 105% of the par value of each share.

During the year 15,114 shares were issued for cash of \$131,323 to the trustees of the employees' stock purchase plan.

As approved at a Special General Meeting of the Shareholders on March 30, 1966, the 2,500,000 ordinary shares of the company presently authorized, consisting of 1,638,305 issued and 861,695 unissued ordinary shares were subdivided into 7,500,000 ordinary shares, each such ordinary share being subdivided into three ordinary shares, effective as of the close of business April 14, 1966.

NOTE 3—MISCELLANEOUS RESERVES

Balance at beginning of year

Appropriation from surplus for accident reserve

Non-refundable customer contributions

Balance at end of year

NOTE 4—LONG-TERM DEBT

First mortgage sinking fund bonds

Series	Maturity	Issued	Redeemed
3¾%	July 2/68	\$ 3,000,000	\$ 742,000
3¾%	May 1/71	7,500,000	2,028,000
3½%	Nov. 1/72	1,500,000	334,000
3½%	Sept. 1/73	3,000,000	585,000
4⅞%	July 2/74	2,100,000	387,000
4%	May 1/75	4,000,000	542,000
5½%	June 1/77	4,000,000	447,000
6%	Dec. 1/77	4,000,000	456,000
5¾%	Apr. 1/84	10,000,000	205,000
6%	Apr. 1/86	5,000,000	—
		<u>\$44,100,000</u>	<u>\$5,726,000</u>

Less current maturities

Sinking fund payments are required annually of an amount at least equal to one per cent of the aggregate principal amount of bonds issued plus an amount equal to the annual interest on all such bonds previously redeemed through the Sinking Fund.

NOTE 5—ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEARS

This is the amount by which income taxes otherwise payable have been reduced by the intention to claim for tax purposes capital cost allowance in excess of depreciation recorded in the accounts.

NOTE 6—INTEREST

Bond interest

Less: Net interest earned on investments

Interest charged to construction

1966

1965

	\$ 2,000,000	\$ 2,000,000
	7,757,200	7,757,200
	2,029,000	2,029,000
	<u>11,786,200</u>	<u>11,786,200</u>
	11,462,269	11,330,946
	<u>\$23,248,469</u>	<u>\$23,117,146</u>

	\$ 600,106	\$ 549,592
	—	30,000
	53,450	20,514
	<u>\$ 653,556</u>	<u>\$ 600,106</u>

	\$ 2,258,000	\$ 2,313,000
	5,472,000	5,516,000
	1,166,000	1,191,000
	334,000	1,713,000
	2,415,000	2,464,000
	1,713,000	1,713,000
	3,458,000	3,503,000
	3,553,000	3,614,000
	3,544,000	3,607,000
	9,795,000	9,901,000
	5,000,000	—
	<u>38,374,000</u>	<u>33,822,000</u>
	615,000	404,000
	<u>\$37,759,000</u>	<u>\$33,418,000</u>

	\$1,812,501	\$1,624,933
	21,607	25,431
	86,295	610,520
	107,902	635,951
	<u>\$1,704,599</u>	<u>\$ 988,982</u>

OFFICERS

A. S. FRASER <i>Vice-President</i>	J. C. MacKEEN <i>Chairman of the Board</i>	G. D. STANFIELD <i>Vice-President</i>
I. B. JAMIESON <i>Treasurer</i>	A. R. HARRINGTON <i>President and General Manager</i>	C. N. KENNEDY <i>Comptroller and Assistant Treasurer</i>
	K. W. McGRAIL <i>Assistant General Manager</i>	
	E. A. LeBLANC <i>Secretary and General Counsel</i>	

DIRECTORS

H. P. BRIGGS <i>President and General Manager, Pyke Brothers Limited</i>	Halifax
F. M. COVERT, Q.C., O.B.E., D.F.C. <i>Senior Partner, Stewart, MacKeen & Covert</i>	Halifax
C. W. DEAN <i>President, Yarmouth Royal Store Limited</i>	Yarmouth
A. S. FRASER <i>President, Investment Foundation Limited</i>	Montreal
A. R. HARRINGTON <i>President and General Manager, Nova Scotia Light and Power Company, Limited</i>	Halifax
HON. G. B. ISNOR, Senator <i>Proprietor, Gordon B. Isnor's Stores</i>	Halifax
R. A. JODREY, D.C.L. <i>President, The Minas Basin Pulp and Power Company, Limited</i>	Hantsport
J. H. M. JONES, D.Eng. <i>President, Bowaters Canadian Corporation Limited</i>	Liverpool
J. C. MacKEEN, D.C.L. <i>Chairman, Moir's Limited</i>	Halifax
A. D. STAIRS <i>President, Wm. Stairs, Son & Morrow, Limited</i>	Halifax
DENIS STAIRS, O.B.E., M.C., D.Eng. <i>President, Newfoundland Light and Power Company, Limited</i>	Montreal
G. D. STANFIELD <i>President, Starr Manufacturing Works Limited</i>	Halifax

AUDITORS

RIDDELL, STEAD, GRAHAM & HUTCHISON Halifax

TRANSFER AGENTS

EASTERN & CHARTERED TRUST COMPANY Halifax, Montreal and Toronto

REGISTRARS

THE ROYAL TRUST COMPANY Halifax and Montreal
MONTREAL TRUST COMPANY Halifax, Montreal and Toronto

HEAD OFFICE

CAPITOL BUILDING Halifax, Nova Scotia

The Company's ordinary stock is listed on
the Montreal and Toronto Stock Exchanges.





WE SHALL ENDEAVOR . . .

To conduct our business in the public interest by seeing that our customers are given good service at reasonable rates in a courteous manner — and by working actively for the welfare of our communities, our province and our nation.

To continue to develop a sound employee organization, which is the foundation of efficient operation and good public relations.

To see that our business is operated at a profit so that we not only can pay interest and dividends to our investors while protecting their principal, but so that we can attract new investors as our needs for capital continue to grow.

